

## DECLARATION UNDER 37 C.F.R. § 1.132

I, Marvin Mick, declare and say that:

1. I am the President of New Age Products, Inc., a California corporation having offices at 3060 Industry, Suite 108, Oceanside, CA 92054 ("New Age"). New Age is the owner of U.S. Patent No. 5,472,790 ("the patent"). I have personal knowledge of New Age's products and sales as well as general knowledge of the plastics industry. The patent is presently involved in litigation that New Age has brought in the Southern District of California, Case No. 96 2129 J CGA. The Requestor in the reexamination (Control No. 90/004,752) is the attorney for the defendant accused of infringement, Progressive International Corporation.

2. Sales of a flexible plastic cutting mat embodying the claimed invention have increased steadily since the product was first offered for sale. The product is New Age's principal product. Initially, the inventor named in the patent, Roderick Thompson, worked with Schneider Plastics, Inc. to manufacture and sell such cutting mats. To the best of my knowledge and belief, such a flexible cutting mat product was first offered for sale by Mr. Thompson and Schneider Plastics, Inc. at the Gourmet Products Show, a trade show, in May 1992. My wife, Elle Mick, was President of Schneider Plastics, Inc. ("Schneider"), which was a family business in which I participated from time to time. I have personal knowledge of Schneider's involvement with the flexible cutting mat product and Mr. Thompson. Schneider acquired certain rights in the invention from Mr. Thompson in 1992 and began manufacturing and selling the cutting mats. New Age acquired full ownership of the patent and the underlying invention from Mr. Thompson in December of 1994, and Schneider's involvement with the cutting mat ceased. Mr. Thompson remains a licensee of New Age under the patent and continues to sell the product through his own company, Far West Manufacturing, Inc ("Far West"). Schneider was sold to another company in 1996, and most of the early sales records of Schneider relating to the cutting mat product are believed to have been destroyed. To the best of my knowledge and belief, Schneider may have sold as many as 5,000 units.

Regardless of the exact volume, these early sales by Schneider and Mr. Thompson proved that the product was successful. As detailed below, even if these early sales by Schneider and Mr. Thompson are discounted, sales have soared since that time and continue to increase.

3. As detailed below, New Age began manufacturing and selling such a cutting mat product in 1993. Although I know of no formal flexural modulus or Rockwell hardness testing that has been conducted since New Age took over the product from Schneider and Mr. Thompson, to the best of my knowledge and belief, the mats sold by New Age are currently and have always been plastic sheets made from flat stock material (i.e., having been extruded flat and never having been stored in the form of a roll) between 0.008 and 0.030 inches in thickness, between R72 and R90 in Rockwell hardness, between 75,000 psi and 200,000 psi in flexural modulus, and able to support an article weighing at least five ounces at a distance of at least ten inches from the end at which the mat is held when the mat is flexed into the funnel or trough shape illustrated in Fig. 1 of the patent. New Age sells this product in two sizes: 7½ by 11½ inches, and 11½ by 15 inches. Mr. Thompson has submitted his own declaration dated January 10, 1998, attesting to Far West's sales, and I have read it and incorporated that information here. According to Mr. Thompson, Far West sells a product having the same characteristics and of a size 11½ inches by 15 inches. It is these products to which I refer below as the "product" or "units" of the product with regard to sales by New Age and Far West.

4. Although, except as described below, I have no formal statistics regarding the activities of others in the market, I believe that New Age's flexible cutting mat and that of its licensees currently holds and has always held the overwhelming share of the market for such mats. To the best of my knowledge and belief, there was no commercial market for flexible cutting mats in the United States prior to the time Schneider and New Age began selling it. The invention is a pioneering one, and few

others had even thought of making a flexible cutting mat of any type. Prior to the time Mr. Thompson made his invention, essentially all commercially available plastic cutting mats were thick, inflexible slabs of plastic.

5. Others had tried and failed to produce a commercially successful flexible cutting mat. Further information regarding the product sold under the name "Counter Maid", cited as a reference in the patent, has come to light in the above-mentioned litigation with Progressive International. To the best of my knowledge and belief, an acquaintance of Mr. Thompson, a Ms. Marian Gillett, in association with a Mr. William Fishman, had produced a flexible cutting mat and attempted to sell them under the name "Counter Maid" as early as about 1981. The only printed publication of which I am aware that relates to the Counter Maid is that which is cited in the patent. Ms. Gillett told me she and Mr. Fishman were unable to sell the mats, and I understood this statement to mean that they either sold none or very few, though she did add that some were given away. Indeed, Ms. Gillett and Mr. Fishman were apparently unable to sell them; evidence has come to light in the above-mentioned litigation that Mr. Fishman and Ms. Gillett had ordered at least 4,000 plastic sheets in 1981, but Mr. Fishman still had them in his garage, unsold, until December of the present year, when the reexamination Requestor, having located Ms. Gillett and Mr. Fishman, purchased all of Mr. Fishman's remaining sheets in an attempt to prevent New Age from having access to them. I am aware of no evidence that Ms. Gillett, Mr. Fishman or anyone else attempted to market the Counter Maid after their unsuccessful efforts in the early 1980s. Although the reexamination Requestor's hoarding of Mr. Fishman's cutting mats prevented me from having access to them, I did manage to handle a cutting mat that Ms. Gillett still had in her possession and was willing to show me. She would not allow me to keep it, but I examined it thoroughly, took photographs of it, and made a videotape of myself handling it, which I would very much like my patent attorneys to show to the examiner in an interview. It was extremely flimsy and soft, and though I

was unable to have any flexural modulus or Rockwell hardness tests conducted on it, it would not support an article weighing five ounces or more at a distance of ten inches from the end at which I held it when I flexed it into the cantilever or trough shape shown in Figure 1 of the patent. I measured this mat with a micrometer and found it was approximately 8½-9 mils in thickness, which is somewhat greater than Mr. Thompson's estimate of the thickness of the Counter Maid that was reported to the Patent Office at the time the application for the patent was originally being examined.

6. My patent attorneys have informed me that whether others have tried and failed to produce something may be evidence of an invention's non-obviousness, and I believe that this information regarding the unsold Counter Maids is good evidence of the non-obviousness of the patented cutting mat.

7. The flexible cutting mats described above are sold by New Age and its licensee, Far West. The sales figures for New Age's and Far West's combined sales of flexible cutting mat products since introduced in 1993 are as follows, showing the approximate number of mats sold by both New Age and Far West and their combined total sales in dollars:

<u>YEAR</u>	<u>NEW AGE MATS SOLD</u>	<u>FAR WEST MATS SOLD</u>	<u>TOTAL VOLUME</u>	<u>SALES IN DOLLARS</u>
1993	104,637	-	104,637	\$156,956
1994	285,688	-	285,688	\$428,533
1995	248,012	200,000 <sup>†</sup>	448,012 <sup>†</sup>	\$562,018 <sup>†</sup>
1996	496,000	200,000 <sup>†</sup>	696,000 <sup>†</sup>	\$933,999 <sup>†</sup>
1997	601,559	400,000 <sup>†</sup>	1,001,559 <sup>†</sup>	\$1,262,338 <sup>†</sup>

(<sup>†</sup> minimum)

8. Other than New Age and Far West, the only companies of which I am aware who have been active in the relevant market since the mat was introduced in 1993 are the defendant in the above-mentioned litigation accused of infringement, a

company from which the defendant buys one of its infringing products, and, to the best of my knowledge and belief, three other companies also believed to have been infringing or about to infringe at one time or another. At New Age's insistence in or about 1995, two of these companies ceased manufacturing the product, and the third company was granted a license by New Age. To the best of my knowledge and belief, the companies mentioned above are the only ones who have been active in the relevant market since the mat was introduced in 1993. Because the patented cutting mat is so unique, I do not believe the relevant market includes traditional rigid, slab-like cutting boards; rather, I believe the market is limited to flexible cutting mats. Thus, sales of the patented cutting mat by New Age and its licensees have always dominated the relevant market.

9. To the best of my knowledge and belief, the commercial success was due overwhelmingly to the merits of the product itself rather than other factors, in that it overcame the problems and deficiencies that prior flexible cutting mats such as the Counter Maid appear to have exhibited. For example, the mat Ms. Gillett showed me was much too flimsy and soft to support cut-up food when a person attempted to use it as a transfer funnel as shown in Fig. 1 of the patent. In addition, although I did not attempt to actually cut anything upon it, these properties would appear to make it susceptible to perforation by a kitchen knife in ordinary use. Furthermore, although I examined only a single mat, it appeared to exhibit the problem described in the patent as plaguing the prior art, in which a mat would have a tendency to assume a slight curl, which is quite annoying when attempting to cut food upon it on a countertop. This indicates to me that it was probably cut from roll-stock and tends to curl as a result of the "memory" of the plastic, whereas New Age's and Far West's cutting mats are cut from sheets of stock material that have been maintained as flat sheets since extrusion and never wound on a roll. (It may be helpful to note that most commercially available very thin-gauge plastic sheet material, e.g., in the neighborhood of ten mils, is only

available from roll-stock. It is simply too cumbersome for extruders to handle and ship very thin flat sheets in the sizes typically supplied—several feet in length and width. Although an extruder having the necessary extrusion machinery might gladly produce very thin-gauge plastic sheets by special order, few if any extruders would have such material in inventory as a stock item.) The cutting mat sold by New Age and Far West overcomes these deficiencies and other deficiencies of prior mats mentioned in the patent because it is made of a material having the right balance of thickness, hardness, durability and flexibility. In view of these problems and others that the inventor mentions in the patent, it is not surprising to me that the Counter Maid was not commercially viable. I believe the commercial success of the New Age and Far West product has been due to the merits of the invention and not any other factor. I have been informed that the commercial success of an invention is relevant as an indicator of its non-obviousness and, in my opinion, this information should weigh heavily in favor of the non-obviousness of this invention.

10. Between 1993 and the present time, the product was promoted very little. The small amount of promotion was conducted in essentially two ways. Initially, it was exhibited at housewares industry trade shows and featured in new product announcements in trade journals. The customers of New Age and Far West are retail stores and distributors, and to the best of my knowledge and belief, none have featured the product in their own advertisements. It was not until 1996 that New Age began advertising it. These advertisements appeared in cooking and home magazines. Mr. Thompson's declaration provides promotional budget information for Far West, and I have incorporated that information below. According to Mr. Thompson, the only promotion Far West has engaged in is a single yearly trade show on which it has spent about \$3,000 per year since beginning to sell the product in 1995. During the years in

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which the product was sold, the total promotional budget for trade shows and advertising of New Age and Far West was as follows:

<u>YEAR</u>	<u>NEW AGE</u>	<u>FAR WEST</u>	<u>TOTAL PROMOTION</u>
1993	\$8,286	-	\$8,286
1994	\$7,374	-	\$7,374
1995	\$3,815	\$3,000	\$6,815
1996	\$21,326	\$3,000	\$24,326
1997	\$69,913	\$3,000	\$72,913

11. New Age first offered the product at an average price of \$1.75 per mat in 1993. The price currently averages \$1.50 because New Age has felt pressure to reduce its prices as a result of competition from infringers and licensees. Nevertheless, New Age's highest and lowest average prices over the years 1993-1997 have never differed by more than \$0.25. Mr. Thompson's declaration indicates that Far West first offered the mat at an average price of \$0.95, that Far West currently offers the product at an average price of \$0.90, and that Far West's highest and lowest average prices over the years 1995-1997 have never differed by more than \$0.05. Thus, in spite of relatively low promotional expenditures and relatively constant prices, this product has enjoyed considerable and increasing commercial success.

I further declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of the above-referenced application or any patent issuing thereon.

Date: 1-14-98  
MARVIN MICK